



Preston
Rowe
Paterson



Valuation Report



Property Address

1 Any Street, Anytown, Qld 4064

Date of Valuation

19th June 2012

**Preston Rowe Paterson
Queensland Pty Ltd**
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1. Executive Summary

This executive summary must be read in context of and in conjunction with the full valuation report of which this executive summary forms part. All comments, terms and conditions contained in the full valuation report relate directly to this Executive Summary.

Property Address:	1 Any Street, Anytown Qld 4064
Instructing Party:	RP Domestic Hub - Long Form
Customer:	Mr John Citizen
Property Type:	Single Detached House
Your Reference:	1234567
Our Reference:	428663
Instructions:	This valuation has been prepared in response to a instruction dated 18 th June 2012, from: Valuation Exchange and RP Domestic Hub - Long Form.
Brief Description of Property:	A fully refurbished and extended part four level timber dwelling erected on a 405m ² allotment. The dwelling has high quality fixtures and fittings and an inground pool at the rear. The property has an easterly aspect and offers good views of the city skyline from the top front balcony and living area.
Site Area:	405m ²
Zoning:	Character Residential Area
Comments:	High quality dwelling in a popular inner city location.
Terms of Reference	<p>Our specific instructions have been to value the property with regard to the following:</p> <p>To assess the current market value of the freehold for pre-purchase purposes.</p> <p>This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value.</p> <p>In accordance with the provisions of our Professional Indemnity Insurance we advise that all valuations are only valid for 3 months from the date of valuation, no responsibility being accepted for client's reliance upon reports beyond that period. Accordingly any parties authorised to rely upon this opinion should be aware for the need of a review if necessary.</p> <p>Reliance on this report should only be taken upon sighting the original document that has been signed by the Valuer and counter signed by a director or Preston Rowe Paterson Queensland Pty Ltd. The counter signatory verifies that this report is genuine, is issued and endorsed by Preston Rowe Paterson Queensland Pty Ltd. The opinion of value expressed in this report, however, has been arrived at by the valuer whom has undertaken the valuation in accordance with the instructions given.</p>

Date of Inspection: 19th June 2012.
Date of Valuation: 19th June 2012.
Land Value: **\$750,000**
Improvements: **\$700,000**
Market Valuation: **\$1,450,000 (One Million, Four Hundred & Fifty Thousand Dollars)**
Signature of Valuer:

Valuer: Signed for and on behalf of
Preston Rowe Paterson Queensland Pty Ltd
Any Valuer AAPI MRICS
Certified Practising Valuer
Queensland Registered Valuer No. 1234

Authorized by:
Other Valuer AAPI MRICS
Managing Director
Certified Practising Valuer
QLD Registered Valuer No. 4321

Capped Liability Scheme

Liability limited by a scheme approved under Professional Standards Legislation.

2. Instructions

The instructions to Preston Rowe Paterson Queensland Pty Limited are summarised below:

2.1 Property Address

We have been instructed to inspect the property located at 1 Any Street, Anytown Qld 4064.

2.2 Instructing Party

Instructions were received from RP Domestic Hub –Long Form, to undertake a current market valuation of the subject property for pre-purchase purposes.

2.3 Definition

In accordance with our instructions we have undertaken a current market valuation for pre-purchase purposes.

The *Australian Property Institute (API)* has adopted the international definition of *Market Value*, namely:

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

We have adopted the definition above for the purpose of the present valuation.

3. Date of Valuation

The date that the property was inspected and the relevant date of the valuation are summarised as follows:

Date of Valuation: 19th June 2012

Date of Inspection: 19th June 2012

4. Land Details

4.1 Title Particulars

The subject Title was not made available and not searched. This valuation is therefore made subject to the land and Title being free of any restrictive encumbrances, covenants, easements or other planning restrictions which might otherwise detrimentally affect the value of the land, and secondly that the improvements are correctly located.

Registered Proprietor: ABCDEF Pty Ltd

Land Dimensions: Regular in shape, 10m frontage x 40.5 metre depth approx.

Land Area: Approximately 405m²

Encumbrances: The subject Title was not made available and not searched. This valuation is therefore made subject to the land and Title being free of any restrictive encumbrances, covenants, easements or other planning restrictions which might otherwise detrimentally affect the value of the land, and secondly that the improvements are correctly located.

4.2 Topography

The subject site is regular in shape. It is situated above road height and has a steep slope that falls from the rear boundary to the road frontage. The rear section of the land with the pool has been levelled.

4.3 Services

The following services are connected to the property: Mains water, sewerage, gas, telephone and electricity.

5. Town Planning

5.1 Planning Constraints

Zoning:

Enquiries with the Brisbane City Council indicates the property is zoned Character Residential Area. A copy of the zoning map is shown below.

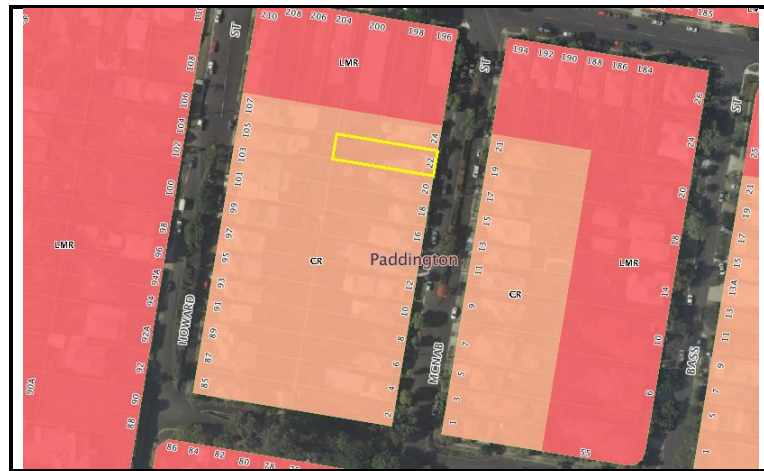
Conforms

A single dwelling is a permitted use under this zoning.

Highest & Best Use

The current use a single residential dwelling is considered the highest and best use of the site.

Planning Property Report



Source: Brisbane City Council – Interactive Mapping

6. Environmental Issues

The only way to determine the current environmental status of the site is for an Environmental Site Assessment (ESA) to be carried out, including soil and groundwater (if present) testing. We are not aware that any testing has been carried out for the subject property.

Whilst all reasonable enquiries have been made by the Valuer of representatives of the current occupier of the land both as to any known contamination of the land, whether by the present or past occupants, or as to the existence of any clean-up order or like notice affecting the land, you are advised that no other investigation has been conducted by the Valuer as to possible contamination of the land.

If, subsequent to our valuation, contamination of the land is found to exist, this could seriously impact upon our valuation assessment and the valuation should be referred back to the Valuer for comment and/or reassessment of the valuation. Our valuation has been based upon the assumption that the land is not contaminated.

The Queensland Environmental Protection Act 1994 (as amended 23 February 2009) sets out the hierarchy of liable person(s) for use by the administering authority for the issuance of any Notice to Remediate, i.e.:

1. Person who contaminated the land, if known and can be located — the person;
2. Local Government, if the administering authority believes the land has been contaminated because the local government gave approval for the use of the land, failed to comply with the requirements of an Act in relation to the approval, or should have known the approval would result in the land being contaminated;
3. Owner of the land, unless a mortgagee of the land (except where contamination happened after they 'acquired' the land).

Notwithstanding, if the EPA requires remediation works and the associated costs cannot be recovered from the polluter/owner, the costs can become a charge on the land resulting in a depreciation of the security.

We draw to your attention that Preston Rowe Paterson are not experts in identifying environmental hazards and compliance requirements affecting properties. While we will attempt to identify all matters of environmental concern and the effect they may have on the value of the property, we accept no liability for failure to identify all such matters of environmental concern and the impact which any such related issue may have on the property to its value including loss arising from: (a) site contamination, (b) the non compliance with any environmental laws and (c) cost associated with the clean-up of the property in which an environmental hazard has been recognized including action by the Environmental Protection Authority to recover clean-up costs pursuant to the legislation outlined above.

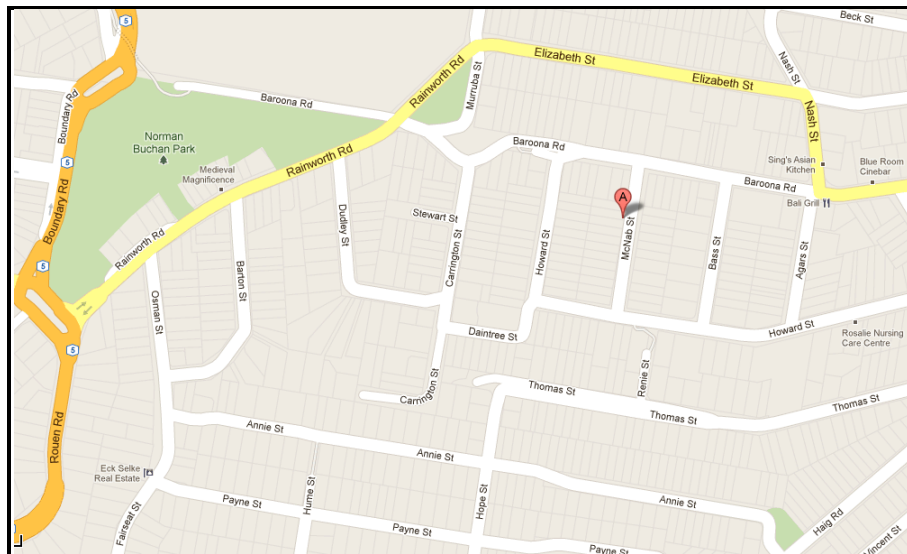
7. Location

Paddington is an inner city suburb, some 4km north west of the Brisbane CBD. Local shops and schools are situated within 500 metres. Bus services are close by.

Surrounding development features pre-war timber colonial cottages as well as semi-modern and new contemporary style houses of a fair to good quality.

The subject property is located on the western side of Any Street, south of the intersection with Another Road.

See location plan below:



Source: Google Maps

8. Improvements

8.1 Dwelling Description

Currently improving the land is a fully refurbished and extended part four level timber dwelling erected on a 405m² allotment. The dwelling has high quality fixtures and fittings and an in-ground pool at the rear.

8.2 Construction

Basic construction details are as follows:-

Footings	Concrete
Floors	Timber & Concrete
External Walls	Timber & Fibrous cement
Window Frames	Timber & Aluminium
Roofing	Corrugated Metal
Internal Walls	Plasterboard
Internal Ceilings	Plasterboard

8.3 Accommodation

4 bedrooms, 2 bathrooms, (open) lounge/dining area with kitchen, laundry, powder room, 2x front balconies, double garage and storage.

8.4 PC Items

KITCHEN: Stone bench tops, lacquered cupboards, island bench, S.S. range, range hood and dishwasher; EN SUITE: Shower, twin vanity and toilet; BATHROOM: Shower over bath, vanity and toilet.

8.5 Fixtures & Features

Ducted A/C throughout, mixture recessed and attractive light fittings, shutters, timber polished floors, high ceilings and walk in robes to main bedroom.

8.6 Other Improvements

In-ground pool/fencing, timber boundary fencing, concrete drive way, vehicle security gate and landscaping.

8.7 Building Areas

We have estimated the approximate living area as follows:

Component	Area m ² (approx.)
Living Areas	175m ²
Outdoor Areas	25m ²
Garage & Storage	55m ²

8.8 Condition

At the time of our inspection the improvements were refurbished and appeared to be in good condition. However, no warranty is given as to the standard of any improvements. We have not carried out a structural survey or a survey of the condition of the improvements. We have only carried out an inspection of exposed and readily accessible areas of the improvements. We were unable to inspect parts of the premises that were unexposed or inaccessible and therefore cannot say such parts are free from defects.

The building presents in good condition based upon our superficial inspection with no items of disrepair noted. The valuer is not a building surveyor or structural expert and is therefore unable to certify the structural soundness of the improvements. Readers of this report should make their own enquiries.

No enquiries or examination of any improvements erected thereon has been made for any sign of timber infestation, asbestos or other defect, whether latent or patent. Whilst our inspection did not indicate that there was an evidence of pest activity, we can give no assurance that the subject property is free from defect/infestation.

8.9 Photographs of Improvements



Pool Area at rear



Side View



Main lounge/dining area



Kitchen



Main Bathroom



View of city skyline from top front balcony

9. Comparable Sales

9.1 Sales Evidence

Sale No.	Address	Sale Price	Date of Sale
1.	93 Nearby Street, ANYTOWN	\$950,000	17/04/2012
<p>Comments: Site area 428m². Contemporary style 2 level timber dwelling with 3 bedrooms, 2 bathrooms, double garage, deck and inground pool. Fair quality fixtures and fittings. No city views.</p> <p>Comparison: Smaller and inferior quality dwelling. Inferior location and no city views. Inferior overall.</p>			
2.	28 AnotherStreet, ANYTOWN	\$1,165,000	31/12/2011
<p>Comments: Site area 443m². New contemporary style 3 level FC dwelling with 4 bedrooms, 3 bathrooms, double garage, deck and inground pool. Good quality fixtures and fittings. No city views.</p> <p>Comparison: Similar style, size and quality dwelling. Inferior location and no city views. Inferior overall.</p>			
3.	63 Holy Smoke Street, ANYTOWN	\$1,200,000	05/12/2011
<p>Comments: Site area 405m². New contemporary style 2 level rendered brick dwelling with 4 bedrooms, 3 bathrooms, double garage and deck, Good quality fixtures and fittings. No city views.</p> <p>Comparison: Similar style, size and quality dwelling. Inferior location and no city views. Inferior overall.</p>			
4.	45 Great George Street, ANYTOWN	\$1,300,000	27/03/2012
<p>Comments: Site area 407m². Fully refurbished and extended part three level timber dwelling with 4 bedrooms, 2 bathrooms, decks and double garage. Good quality fixtures and fittings. No city views.</p> <p>Comparison: Very similar style, size and quality dwelling. No city views or pool. Inferior overall.</p>			
5.	2 Close by Terrace, ANYTOWN	\$1,350,000	10/02/2012
<p>Comments: Site area 488m². Contemporary style 2 level FC dwelling with 4 bedrooms, 2 bathrooms, double garage, deck and inground pool. Good quality fixtures and fittings. No city views.</p> <p>Comparison: Similar style, size and quality dwelling. Inferior location further from local shops and no city views. Inferior overall.</p>			
6.	59 Nearby Street, ANYTOWN	\$1,475,000	27/03/2012
<p>Comments: Site area 582m². Fully refurbished and extended two level timber colonial style dwelling with 5 bedrooms, 2 bathrooms, decks, double garage and inground pool. Good quality fixture and fittings. Landscaped gardens. No city views.</p> <p>Comparison: Larger dwelling and land area. Closer to main Paddington shops. No city views. Superior overall.</p>			

10. Risk Analysis

Shown below is a table that represents appropriate risk ratings that apply to the property:

Property Risk* Ratings		1	2	3	4	5	Market Risk* Ratings		1	2	3	4	5
Location & Neighbourhood:	2		x				Market Direction:	3			x		
Land (incl. Planning title):	2		x				Market Volatility:	2		x			
Environmental Issues:	2		x				Local Economy Impact:	2		x			
Improvements:	2		x				Market Segment Conditions:	2		x			
Risk Ratings: 1 = Low, 2 = Low to Medium, 3 = Medium, 4 = Medium to High, 5* = High													

11. Comments

The property features a fully refurbished and extended part four level timber dwelling erected on a 405m² allotment. The dwelling has high quality fixtures and fittings and an in-ground pool at the rear. The property has an easterly aspect and offers good views of the city skyline from the top front balcony and living area.

The market for housing in Paddington and other inner city suburbs has been slow for at least 18 months. Sales activity was quite low in the second half of 2011 and prices did decline.

The 'higher value' segment, particularly over the \$1 Million mark was probably the worst performing sector over this time as there were few genuine buyers.

Since the start of 2012 the number of buyers in this 'higher value' segment has improved moderately. As a result, prices have appeared to stabilise.

12. Valuation Approach

From our analysis and our investigations with agents in the market we have determined that the best approach is by direct comparison which we have utilised to undertake this valuation.

12.1 Valuation

We have analysed the evidence of a number of comparable sales and have taken into account the economic conditions at the time of valuation and have arrived at the opinion that the market value of the subject property as at 19th June, 2012 is as follows:

Land Value: \$750,000
Improvements: \$700,000
Market Valuation: \$1,450,000
(One Million, Four Hundred & Fifty Thousand Dollars)

12.2 Insurance Estimate:

We recommend insurance cover on the improvements on a replacement basis presuming complete destruction, cost escalation during design, planning and construction periods, demolition and professional fees, and cost escalation between policy renewal dates, at the sum of **\$850,000**.

12.3 Rental Estimate:

Based on rental evidence around the area, we have estimated the rental income to be **\$800 to \$1,000** per week.

Signed for and on behalf of
Preston Rowe Paterson Queensland Pty Ltd
Any Valuer AAPI MRICS
Certified Practising Valuer
Qld Registered Valuer No. 1234

Authorized by:
Another Valuer AAPI MRICS
Managing Director
Certified Practising Valuer
QLD Registered Valuer No. 4321

13. Terms and Conditions

Finally, we Preston Rowe Paterson of Suite 16/105 Vulture Street, West End Qld 4101, (ABN 64 110 637 931), certify that based on our knowledge and belief, the statements contained in the Valuation Report are correct and that we do not have any present or contemplative future interests in the property valued.

This report is for the use only of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents without first referring back to the valuers for redirection.

This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of 3 months from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on the valuation. The client acknowledges and recognises that the Valuer is not an expert in identifying environmental hazards and compliance requirements affecting properties. The Valuer will endeavour to identify all matters of environmental concern and the effect they might have on the value of the property.

However, the Valuer will not be liable nor responsible for the failure to identify all such matters or its value, including loss arising from; site contamination; the non-compliance with any environmental laws; costs associated with the clean up of a property in which an environmental hazard has been recognised, including action by the E.P.A to recover clean up costs pursuant to the E.P.A. Act. The Valuation Report is not intended as a structural survey, nor is our standard reporting as to Title occupancies intended to advise other than apparent discrepancies and is not to be construed as a surveyors report.

No warranty is given as to the standard of any improvements. We have not carried out a structural survey or a survey of the condition of the improvements. We have only carried out an inspection of exposed and readily accessible areas of the improvements. We were unable to inspect parts of the premises that were unexposed or inaccessible and therefore cannot say such parts are free from defects.

No enquiries or examination of any improvements erected thereon has been made for any sign of timber infestation, asbestos or other defect, whether latent or patent. Whilst our inspection did not indicate that there was an evidence of pest activity, we can give no assurance that the subject property is free from defect/infestation.

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